

Message Text

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SUBJECT: ZAIRIAN PRESS DISCUSSES DEVALUATION

1. MARCH 10 ELIMA FEATURES FRONT-PAGE ARTICLE BY PROF. TSHIUNZA MBIYE ON FALL IN VALUE OF POUND STERLING. ARTICLE TAKES TACK THAT UK GOVT. HAS ENCOURAGED DECLINE IN ORDER TO MAKE EXPORTS MORE COMPETITIVE AND IMPORTS MORE EXPENSIVE. TSHIUNZA CONCLUDES THAT UK HAS DELIBERATELY AND WISELY ENCOURAGED DECLINE OF CURRENCY TO GIVE ECONOMY SHOT IN THE ARM, THAT "CURRENCY IS ONLY AN INSTRUMENT WHOSE CONTROL SHOULD BE BALANCED AGAINST SEVERAL OBJECTIVES. BETWEEN UNEMPLOYMENT AND INSTABILITY (OF CURRENCY), SOMETIMES IT IS NECESSARY TO SOLVE THE FORMER AT THE EXPENSE OF THE EXTERNAL VALUE OF THE CURRENCY." IN SAME ISSUE, FRONT PAGE EDITORIAL CITES NEED FOR "MORE RADICAL" MEASURES TO SOLVE CURRENT ECONOMIC CRISIS, AND DESCRIBES UPCOMING POLITICAL BUREAU MEETING AS PART OF PROCESS OF ANALYSIS OF SUCH MEASURES.

2. COMMENT: ON MARCH 6 MOBUTU MET WITH 21 ECONOMICS PROFESSORS ON HIS YACHT AND ENGAGED IN UNPRECEDENTED 6 HOUR DISCUSSION OF ECONOMIC MATTERS. TSHIUNZA PRESUMABLY WAS ONE OF PROFESSORS INVOLVED. MEETING ON BOAT SEEMS TO HAVE PROVOKED ARTICLE CITING THE BENEFITS DEVALUATION WILL BRING TO UK. ARTICLE BY LEADING ECONOMIST AND EDITORIAL APPEAR TO BE PART OF LIMITED OFFICIAL USE

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CAREFULLY ORCHESTRATED PR CAMPAIGN BY GOZ TO SOFTEN POPULATION

FOR POSSIBLE DEVALUATION WHICH BEING WIDELY RUMORED.
THIS IS BUT PART OF CONTINUING GOZ EFFORT TO LAY GROUNDWORK
FOR IMPLEMENTATION OF STRINGENT ECONOMIC MEASURES ABOUT
TO TAKE PLACE.
CUTLER

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